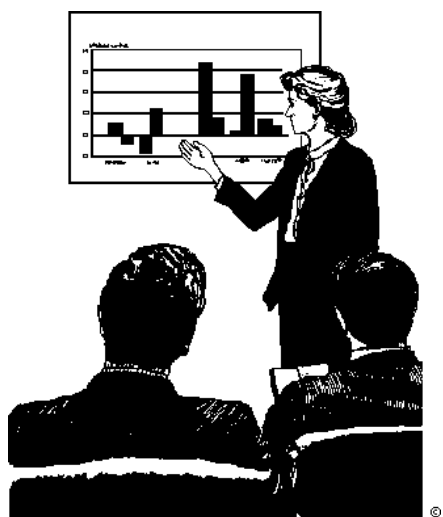


Division of Regulation and Enforcement



The administrator of the Division of Regulation and Enforcement is responsible for directing most enforcement actions against agents and companies, and for pursuing these cases through the appeals and settlement process. The administrator supervises the division and is also responsible for general program and policy development in the division including the Bureau of Financial Analysis and Examinations and the Bureau of Market Regulation.

Bureau of Financial Analysis and Examinations

The principal function of the Bureau of Financial Analysis and Examinations is to monitor the financial condition of all insurers licensed to market insurance in Wisconsin and determine whether an insurer's financial solidity is acceptable for continued operation in Wisconsin. Monitoring includes the examination of the accounts and records of companies and the analysis of financial statements submitted to OCI, the review of CPA audit reports, and updates to the company profile database.

The bureau maintains and reviews holding company filings required by ch. Ins 40, Wis. Adm. Code, reviews financial reports for surplus lines insurers, administers insurer applications for admission to Wisconsin, merger and acquisition plans, and holding company transactions.

Among the major accomplishments in 2000 were:

- Examination of 47 domestic insurers.
- Analysis of the financial statements of over 1,800 insurers.
- Licensed 46 nondomestic insurers.
- Reviewed and amended the Wisconsin certificate of authority for 9 nondomestic insurers that converted from mutual to stock form.
- Reviewed and approved changes of control of 10 domestic insurers, pursuant to holding company regulations.
- Approved 1 change of domicile into Wisconsin and mergers of 3 domestic insurers.
- Continued review of the proposed conversion of Blue Cross & Blue Shield United of Wisconsin from a nonprofit service insurance corporation to a stock insurance corporation.
- Reviewed and enhanced procedures for financial analysis and monitoring of licensed insurers.
- Continued use of the revised NAIC Examiner Handbook and the continued use of risk assessment and materiality considerations in setting examination scopes.
- Initiated review of the proposed conversion of Employers Insurance of Wausau from a mutual to a stock insurance corporation under a mutual holding company plan.
- Began implementing TeamMate 2000, electronic workpaper software, into the financial examination process.
- Continued use of ACL, an audit software tool, in the financial examination process.
- Started a project to study the feasibility of having companies file Wisconsin-specific forms electronically over the Internet.
- Continued development of automated applications used in financial analysis and examinations.
- Maintained insurer financial and demographic data on the OCI Internet Website.
- Maintained qualification for accreditation pursuant to the Financial Regulation Standards by the NAIC.
- Continued use of actuarial consulting firms on examination of major companies.
- Reviewed and enhanced examination procedures to ensure quality control.
- Continued use of Access software to download financial data from the NAIC annually and quarterly.
- Continued participation in OCI Information Technology Planning and Standards Committee charged with the development of comprehensive plans and standards for bureau and department-wide LANs.
- Continued implementation of, and staff training on, the NAIC SITE Program. The PC-based technology improves and expedites access by examiners to the NAIC data base, through applications which produce reports for financial analysis and examinations.
- Continued reengineering of OCI financial data base and applications (with IT bureau).
- Participation in NAIC task forces and working groups, including: Accounting Practices and Procedures Task Force, Examination Oversight Task Force, Risk-Based Capital Task Force, Analyst Team System Oversight, Audit Software, Emerging Accounting Issues, Financial Analysis Handbook, Financial Analysis Working Group, Financial Analysis Research and Development, Financial Examiners Handbook, Financial Services Holding Company Analysis/Examination/Review, Health Entities, Health Risk-Based Capital, Life Risk-Based Capital, National Treatment of Companies, Property and Casualty Risk-Based Capital, Property and Casualty Reinsurance, Statutory Accounting Principles.
- Annual and quarterly statement forms, tax forms, application packets, examination reports, demographic data, and financial information of insurers available on the OCI Internet Web page.

Companies Examined

Arlington Mutual Fire Ins. Co.
Aid Association for Lutherans
All-Star Mutual Ins. Co.
Barron Mutual Ins. Co.
CMG Mortgage Ins. Co.
CMG Mortgage Reinsurance Co.
Dairyland Ins. Co.
Darlington Mutual Ins. Co.
Dupont Mutual Ins. Co.
Employers Ins. of Wausau
Fountain City Mutual Ins. Co.
Germantown Mutual Ins. Co.
Greater LaCrosse Health Plans, Inc.
Greatway Ins. Co.
Henrietta Greenwood & Union Mutual Fire Ins. Co.
Heritage Mutual Ins. Co.
Liberty Bankers Life Ins. Co.
McMillan-Warner Mutual Ins. Co.
Medina Mutual Ins. Co.
MGIC Indemnity Corp.
Middlesex Ins. Co.
MSI Preferred Ins. Co.
National Mutual Benefit
Network Health Plan of WI, Inc.
North American Ins. Co.
Partners Mutual Ins. Co.
Patriot General Ins. Co.
Physicians Plus Ins. Corp.
Price County Town Mutual Ins. Co.
Racine County Mutual Ins. Co.
Reliance National Indemnity Co.
River Falls Mutual Ins. Co.
Rosendale Mutual Ins. Co.
Rural Mutual Ins. Co.
Seneca Sigel Mutual Ins. Co.
Sentry Ins. A Mutual Co.
Sentry Life Ins. Co.
Society Ins. A Mutual Co.
Transit Mutual Ins. Corp. of WI
Valley Health Plan, Inc.
Venture Ins. Co.
Wausau Business Ins. Co.
Wausau General Ins. Co.
Wausau-Stettin Mutual Ins. Co.
Wausau Underwriters Ins. Co.
West Bend Mutual Ins. Co.
Wisconsin American Mutual Ins. Co.
Wisconsin Mutual Ins. Co.

Insurance Corporations of Other States Admitted

January 1, 2000 - December 31, 2000

AAGI, Inc.	Mt. Prospect, IL
AIG Warranty Guard, Inc.	New York, NY
Accident Fund Co.	Lansing, MI
Alamance Ins. Co.	Burlington, NC
American Guardian Warranty Services, Inc.	Glen Ellyn, IL
American Institute for Cancer Research, The	Washington, DC
Catholic Workman	New Prague, MN
Christian and Missionary Alliance, The	Colorado Springs, CO
Constitution Ins. Co.	New York, NY
Continental American Ins. Co.	Columbia, SC
Continental Life Ins. Co. of Brentwood, TN	Brentwood, TN
Diamond State Ins. Co.	Bala Cynwyd, PA
EMC Property & Casualty Co.	Des Moines, IA
Erie Family Life Ins. Co.	Erie, PA
Erie Ins. Co.	Erie, PA
Erie Ins. Exchange	Erie, PA
Erie Ins. Property & Casualty Co.	Erie, PA
Evangelical Lutheran Good Samaritan Society, The	Sioux Falls, SD
Flagship City Ins. Co.	Erie, PA
GE Capital Administrative Services, Inc.	Lakewood, CO
Gray Ins. Co., The	Metairie, LA
Hemlock Foundation, The	Denver, CO
Heritage Foundation, The	Washington, DC
Home Warranty of America, LLC	Northbrook, IL
May Foundation for Medical Education and Research	Rochester, MN
Minnehoma Automobile Association, Inc.	Tulsa, OK
Mountbatten Surety Co., Inc., The	Bala Cynwyd, PA
National Foundation for Cancer Research, Inc.	Bethesda, MD
Penn-Star Ins. Co.	Hatboro, PA
SC&E Administrative Services, Inc.	Dallas, TX
Sigma Theta Tau International Honor Society of Nursing, Inc.	Indianapolis, IN
StarNet Ins. Co.	Florham Park, NJ
Underwriters Indemnity Co.	Peoria, IL
United Car Care, Inc.	Aurora, CO
United General Title Ins. Co.	Denver, CO
United Service Protection Corporation	Ridgeland, MS
Unity Financial Life Ins. Co.	Syracuse, NY
Universal Warranty Corp.	Detroit, MI
University of St. Thomas	St. Paul, MN
Warranty Corporation of America	Norcross, GA
Western General Warranty, Inc.	Encino, CA
Workmen's Auto Ins. Co.	Los Angeles, CA
World Wildlife Fund, Inc.	Washington, DC

Organizations Licensed to Issue Gift Annuities

January 1, 2000 - December 31, 2000

American Institute for Cancer Research	Washington, DC
Aurora Foundation, Inc.	Milwaukee, WI
Christian and Missionary Alliance, The	Colorado Springs, CO
Evangelical Lutheran Good Samaritan Society, The	Sioux Falls, SD
Hemlock Foundation, The	Denver, CO
Heritage Foundation, The	Washington, DC
Mayo Foundation for Medical Education and Research	Rochester, MN
National Foundation for Cancer Research, Inc.	Bethesda, MD
Sigma Theta Tau International Honor Society of Nursing, Inc.	Indianapolis, IN
Sisters of St. Benedict of Madison, WI, Inc.	Middleton, WI
University of St. Thomas	St. Paul, MN
World Wildlife Fund, Inc.	Washington, DC

Organizations Licensed to Issue Warranty Plans

January 1, 2000 - December 31, 2000

AAGI, Inc.	Mt. Prospect, IL
AIG Warranty Guard, Inc.	New York, NY
American Guardian Warranty Services, Inc.	Glenn Ellyn, IL
GE Capital Administrative Services, Inc.	Lakewood, CO
Home Warranty of America, LLC	Northbrook, IL
Minnehoma Automobile Association, Inc.	Tulsa, OK
SC&E Administrative Services, Inc.	Dallas, TX
United Car Care, Inc.	Aurora, CO
United Services Protection Corp.	Ridgeland, MS
Universal Warranty Corp.	Detroit, MI
Warranty Corporation of America	Norcross, GA
Western General Warranty, Inc.	Encino, CA

**Insurance Corporation Mergers, Consolidations,
Redomestications, Withdrawals, Rehabilitations, or Liquidations**

January 1, 2000 - December 31, 2000

Withdrawals

Acceleration National Service Corp.	08/02/2000
Aetna Life Ins. Co. of America	07/17/2000
Crown Service Corp.	11/13/2000
Kelco, Inc.	09/11/2000
National Warranty Corp.	03/31/2000
Northland Mission, Inc.	01/01/2000
Prudential HealthCare and Life Ins. Co. of America	10/16/2000
Sacred Heart School of Theology, Inc.	01/01/2000
Warranty Administration Corp.	03/31/2000
Western General Warranty, Inc.	03/31/2000

Liquidations

Family Health Plan Cooperative

10/16/2000

Mergers

Company Name	Merged Into	Effective Date
Alexander Hamilton Life Ins. Co. of America	Jefferson Pilot Financial Ins. Co.	08/01/2000
Allied Life Ins. Co.	Reassure America Life Ins. Co.	01/01/2000
Allnation Life Ins. Co.	NGL American Life Ins. Co.	03/31/2000
Continental Life Ins. Co.	Conseco Senior Health Ins. Co.	06/28/2000
Crystal Lake-Utica Mutual Ins. Co.	Manitowoc Mutual Ins. Co.	02/01/2000
First Excess and Reinsurance Corp.	GE Reinsurance Corp.	12/31/1999
Guarantee Protective Life Co.	Guarantee Life Ins. Co.	12/31/1999
Guarantee Life Ins. Co.	Jefferson Pilot Financial Ins. Co.	08/01/2000
Health and Life Ins. Co. of America	Pioneer Life Ins. Co.	10/01/2000
Mishicot Town Mutual Ins. Co.	Manitowoc Mutual Ins. Co.	01/01/2000
National Fidelity Life Ins. Co.	Bankers National Life Ins. Co.	04/01/2000
Nekimi Mutual Ins. Co.	Homestead Mutual Ins. Co.	05/01/2000
Westfield Life Ins. Co.	Guarantee Life Ins. Co.	12/30/1999

Insurance Corporations Which Changed Their Names

January 1, 2000 - December 31, 2000

Previous Name	New Name
AXA Global Risks US Ins. Co.	AXA Corporate Solutions Ins. Co.
AXA Re Life Ins. Co.	AXA Corporate Solutions Life ReIns. Co.
AXA ReIns. Co.	AXA Corporate Solutions ReIns. Co.
Agricultural Ins. Co.	Great American Assurance Co.
Albany Ins. Co.	Liberty Marine Underwriters, Inc.
Alpine Life Ins. Co.	Hart Life Ins. Co.
American Alliance Ins. Co.	Great American Alliance Ins. Co.
American National Fire Ins. Co.	Great American Ins. Co. of New York
American Physicians Life Ins. Co.	EmpheSys Ins. Co.
Anthem Life Ins. Co. of Indiana	Anthem Life Ins. Co.
CUMIS General Ins. Co.	Liberty Personal Ins. Co.
Caledonian Ins. Co. of America	USAgencies Direct Ins. Co.
Camden Fire Ins. Association, The	Camden Fire Ins. Association
Camden Fire Ins. Association	CGU Ins. Co. of New Jersey
Capitol Bankers Life Ins. Co.	Annuity & Life Reassurance America, Inc.
Catholic Knights Ins. Society	Catholic Knights
Celtic Life Ins. Co.	Celtic Ins. Co.
Centris Life Ins. Co.	HCC Life Ins. Co.
Chartwell Reins. Co.	Chartwell Ins. Co.
Chatham Reins. Co.	Mapfre Reins. Co.
College Life Ins. Co. of America, The	Americo Financial Life and Annuity Ins. Co.
GenAm Benefits Ins. Co.	HCSC Ins. Services Co.
General Accident Ins. Co. of America	CGU Ins. Co.
Generalte-School Sisters of St. Francis, Inc.	School Sisters of St. Francis, Inc.

Insurance Corporations Which Changed Their Names (Continued)

January 1, 2000 - December 31, 2000

Previous Name	New Name
Halcyon Ins. Co.	Progressive Halcyon Ins. Co.
Heart of America Fire and Casualty Co.	Kemper Employers Ins. Co.
Independent Fire Ins. Co.	State National Specialty Ins. Co.
Integral Ins. Co., The	Caterpillar Ins. Co.
Intercargo Ins. Co.	XL Specialty Ins. Co.
Jefferson Ins. Co. of New York	Jefferson Ins. Co.
John Hancock Mutual Life Ins. Co.	John Hancock Life Ins. Co.
Liberty Marine Underwriters, Inc.	Liberty Ins. Underwriters, Inc.
Life of Boston Ins. Co.	Lincoln Heritage Life Ins. Co.
Lincoln Mutual Life Ins. Co.	Lincoln Direct Life Ins. Co.
MSI Ins. Co.	MSI Preferred Ins. Co.
Maryland Netherlands Credit Ins. Co.	NCM Americas, Inc.
Michigan Hospital Association Ins. Co.	MHA Ins. Co.
Michigan Mutual Ins. Co.	Amerisure Mutual Ins. Co.
Mutual Ins. Corp. of America	American Physicians Assurance Corp.
Mutual Trust Life Ins. Co.	MTL Ins. Co.
PMA Reins. Corp.	PMA Capital Ins. Co.
ParterRe Life Ins. Co. of the U.S.	SCOR Life U.S. Re Ins. Co.
Pennsylvania General Ins. Co.	General Accident Ins. Co.
Phoenix American Life Ins. Co.	GE Group Life Assurance Co.
Reliance Reins. Co.	Overseas Partners US Reins. Co.
Royal Life Ins. Co. of America	Servus Life Ins. Co.
Royal Special Risks Ins. Co.	Homesite Ins. Co.
Signet Star Reins. Co.	Berkley Ins. Co.
Sun Life of Canada Reins. Co. (U.S.)	Clarica Life Reins. Co.
SunAmerica National Life Ins. Co.	SBLI USA Financial Services Life Ins. Co., Inc.
Sydney Reins. Corp.	QBE Reins. Corp.
Toa-Re Ins. Co. of America, The	Toa Reins. Co. of America, The
Toyota Motor Life Ins. Co.	Nutmeg Life Ins. Co.
USF Re Ins. Co.	AXA Re America Ins. Co.
Universal Warranty Corp.	Omaha Administration Services, Inc.
Universal of Omaha Casualty Ins. Co.	General Fire & Casualty Co.
Virginia Ins. Reciprocal, The	Reciprocal of America
Western National Warranty Corp.	C N A National Warranty Corp.
Wisconsin Mortgage Assurance Corp.	MGIC Indemnity Corp.
Wisconsin National Life Ins. Co.	HumanaDental Ins. Co.

Redomestications

CompanyName	From	To	Effective Date
AXA Re America Ins. Co.	MA	DE	04/26/2000
Aetna Ins. Co. of America	CT	FL	01/05/2000
Allmerica Financial Benefit Ins. Co.	PA	MI	12/28/2000
Ameribest Life Ins. Co.	IL	GA	07/01/2000
Annuity & Life Reassur. America, Inc.	MI	CT	12/21/2000
Berkely Regional Ins. Co.	MO	DE	12/31/2000
CMG Mortgage Assurance Co.	CA	WI	06/01/2000
Charter National Life Ins. Co.	MO	IL	12/20/1999
Chartwell Ins. Co.	MN	CT	03/10/2000
General Fire & Casualty Co.	NE	ID	09/01/2000
HCSC Ins. Services Co.	MO	IL	12/22/2000
IL Annuity and Ins. Co.	MA	KS	12/29/2000
Jefferson Pilot Financial Ins. Co.	NH	NE	06/12/2000
Kemper Casualty Ins. Co.	MI	IL	05/25/2000
Meridian Citizens Mutual Ins. Co.	MN	IN	10/30/2000
Meridian Citizens Security Ins. Co.	MN	IN	10/30//2000
National American Ins. Co.	NE	OK	05/19/2000
Provident American Life & Health Ins. Co.	PA	OH	06/08/2000
Security-Connecticut Life Ins. Co.	CT	MN	07/20/2000
Specialty National Ins. Co.	PA	IL	06/19/2000
USAA Casualty Ins. Co.	FL	TX	01/01/2000

Companies in Liquidation

American Star Insurance Company, In Liquidation

American Star Insurance Company was placed into liquidation on November 16, 1992. Matthew C. Mandt is appointed as special deputy liquidator.

American Star is headquartered in Walnut Creek, California, and had business in force mainly in Arizona, California, Idaho, Nevada, Oregon, and Washington state. There was no business in force in Wisconsin. American Star wrote commercial multi-peril, property, auto, liability, and surety business.

American Star filed a September 30, 1992, quarterly financial statement indicating capital and surplus of approximately \$5.5 million. A preliminary review of American Star's reserves for losses and loss adjustment expenses showed them to be deficient by about \$15.9 million, implying a negative net worth of about \$10.4 million. Furthermore, American Star had not obtained reinsurance coverage for policies it had written or renewed for December 1, 1992. Due to the foregoing factors, further transaction of business was hazardous to its policyholders and the general public, and American Star's owners consented to the liquidation.

Under the liquidation order, policies in force were terminated the earliest of: December 1, 1992, the date the policy expired, or the date new coverage was obtained by the agent. Certain guaranty funds extended the period of coverage for residents of their respective states, if such extension was required by law or administrative action. Ancillary liquidation proceedings were established in California, Idaho, Oregon, and New Mexico, and all have now been closed. It is expected that the California ancillary liquidation proceeding will be reopened on March 30, 2001, to allow a distribution of Proposition 103 rebates to California policyholders in the amount of \$1,750,000. The Proposition 103 settlement was substantially below the \$10,362,838 reserved as of December 31, 1999.

At least 64,511 notices were mailed to agents, policyholders, state insurance commissioners, guaranty funds, claimants, former policyholders, and other parties whose interests may in some way be affected by the liquidation. The deadline for filing claims with the liquidator was November 16, 1993. Unexcused late filings will not be considered for payment.

On January 28, 1994, the liquidation court approved a plan to provide state guaranty funds with \$20,000,000 in early access payments to be used for the return of unexpired premiums to policyholders and payment of claims. Early access payments were made during 1994 after each participating guaranty fund gave its written assent to the terms of the plan. Altogether the estate has advanced \$34,256,799.62 to participating guaranty funds under four early access agreements, of which \$29,403,159.43 has been converted into nonrefundable dividends.

The liquidation court has approved additional dividends, over and above the foregoing \$29,403,159.43, for full or partial payment of various class 1, 3, 4, 5, and 7 claims filed with state guaranty funds and directly with the estate, as recommended by the liquidator. Such additional dividends aggregated to \$11,051,238.17 as of December 31, 2000.

The liquidator has recommended partial payment or denial of certain class 1, 3, and 5 claims filed directly with the estate. The liquidator reviews objections to partial payments or denials in the normal course of the run-off, and hearings are held before the liquidation court to adjudicate objections when necessary. In 2000, the liquidator resolved the last remaining claims listed in the first comprehensive Report on Claims filed with the liquidation court on December 9, 1997.

The second and most recent comprehensive Report on Claims was filed on December 14, 1999. This report includes the liquidator's recommendations for full payment, partial payment, and denial on certain class 3, 5, and 7 claims. Pursuant to s. 645.65 (1), Wis. Stat., the liquidator forwarded notice of recommendations for partial payment or denial to all affected claimants and advised them that they had 60 days to object to the recommendations. Three claimants have objected. The liquidator will schedule hearings with respect to these three claimants' objections.

As of December 31, 2000, the estate reported assets of \$44,696,137.67. Claims in classes 1 through 10 were estimated at \$30,674.667, resulting in an estimated surplus of \$14,021.470.67.

Family Health Plan Cooperative, In Liquidation

Family Health Plan Cooperative was placed into liquidation on October 16, 2000. Matthew C. Mandt was appointed as special deputy liquidator.

Family Health Plan is headquartered in Brookfield, Wisconsin, and had business in force only in Wisconsin. Family Health Plan wrote health maintenance organization business and had just over 72,000 enrollees.

Family Health Plan filed an August 31, 2000, financial statement showing a negative net worth of approximately \$3.6 million. Furthermore, Family Health Plan had not obtained reinsurance coverage for policies it had written or renewed for November 1, 2000.

Because of the above, further transaction of business was hazardous to its policyholders and the general public, and Family Health Plan's board of directors consented to the liquidation.

Under the liquidation order, policies in force were terminated the earliest of November 1, 2000, the date the policy expired, or the date new coverage was obtained

by the enrollee. The liquidator assumed an Omnibus Agreement by and among Family Health Plan, Aurora Health Care (Aurora), United Wisconsin Services, Inc. (UWS), and Family Health Systems, Inc. The following provisions of the Omnibus Agreement approved by the court and the liquidator proceeded to:

- Transfer the assets of Family Health Plan to Aurora and/or UWS as set forth in the agreement;
- Transfer of certain liabilities to Aurora and UWS;
- Retention by the liquidator of certain designated excluded liabilities;
- Established claims procedures and other provisions of the agreement.

On October 31, 2000, 6,958 notices were mailed to creditors and other parties whose interests may in some way be affected by the liquidation. The deadline for filing claims with the liquidator is May 1, 2001. Unexcused late filings may not be considered for payment.

Master Plumbers' Limited Mutual Liability Company, In Rehabilitation

Master Plumbers' Limited Mutual Liability Company was placed in rehabilitation on March 29, 1994, by the Circuit Court for Dane County, Wisconsin. Matthew C. Mandt was appointed as Special Deputy Rehabilitator. Society Insurance, a Mutual Company, performs claim adjustment and administrative services for the rehabilitator pursuant to a contract approved by the court.

Master Plumbers' issued assessable policies and was licensed only in Wisconsin. The company wrote worker's compensation, other liability, and auto liability coverage for plumbers. All policies were written on an annual basis with January 1 effective dates.

In late 1992, the company was informed that its primary layers of reinsurance coverage would not be renewed for 1993. The company was able to obtain partial reinsurance coverage for a portion of 1993, but was not able to obtain coverage sufficient to allow it to continue to operate. In October 1993, the Commissioner advised the company that it would not be able to renew policies after their December 31, 1993, expiration dates due to inadequate reinsurance coverage and directed the company to send notices of nonrenewal to all policyholders.

The September 30, 1993, quarterly financial statement of the company, which was the last one filed prior to its being placed in rehabilitation, reported assets of \$1,608,621, liabilities of \$1,442,214, surplus of \$166,407, and direct premiums written of \$826,796. Reported surplus had declined \$255,107 from the prior year-end. Due to the loss of its reinsurance coverage, the company was exposed to incurring as much as \$500,000 on a single 1993 loss occurrence. In prior years, the company's exposure was limited to \$25,000 per risk per loss.

In December 1993, pursuant to an order issued by the Commissioner, the company levied an assessment upon its policyholders equal to one additional annual premium. Collection of this assessment has been deferred until such future time as the funds may be needed. It has not been necessary to collect this assessment to date.

As of December 31, 2000, Master Plumbers' reports assets of \$1,288,020, liabilities of \$1,309,713, and a deficit of \$21,693. Liabilities include a provision of \$300,000 for 1993 and prior losses that may have occurred but have not yet been recorded. To date, it has not been necessary to collect the assessment levied in December 1993.

Bureau of Market Regulation

The Bureau of Market Regulation is responsible for the administration and enforcement of the Wisconsin Statutes relating to insurance policy forms, policyholder service, marketing and advertising practices, underwriting rules, and claims practices. Responsibilities also include processing insurance consumer complaints and assisting consumers with their insurance problems, investigating violations of Wisconsin insurance statutes and administrative rules, and conducting market conduct examinations of insurance companies and agents. Market conduct examinations focus on the business practices of the examinees and are designed to detect problems in marketing and advertising, policyholder service, underwriting, and claims handling. The bureau is also involved in the development of administrative rules and statutory language.

Among the major accomplishments in 2000 were:

- Participated in identifying changes in Producer Licensing required to meet the reciprocity requirements in the Gramm-Leach Bliley Act.
- Initiated a process to identify insurer and agent websites and e-commerce activity and began developing a workplan to monitor and develop policy on regulation and enforcement of insurance electronic commerce activities.
- Continued improvement to the market conduct examination program through: staffing of an advanced examiner position whose duties were to standardize and automate market conduct examination processes through the use of tools such as ACL and TeamMate 2000; participation in two major multi-state market conduct examinations, and improving the examination process through the use of uniform audit guides, spreadsheets and report formats.
- Participated in promulgating rules on Medicare supplement and long-term care insurance, and continuing education.
- Participated in the development of administrative rules relating to independent review organizations and grievances, privacy and producer licensing.
- Continued to review manual and system procedures for producer licensing, complaints, and rates and forms to update the procedures and systems to improve service and quality.
- Continued the urban outreach project by participating as liaison to the Insurance Services Committee of the Neighborhood Housing Services, providing staff to conduct training sessions for consumer groups in cooperation with the Community Information Center in Milwaukee and facilitated meetings between insurers and consumer groups.
- Participated in the Wisconsin Insurance Plan and the Wisconsin Automobile Insurance Plan meetings; quarterly meetings with the Workers Compensation Rating Bureau and the Department of Workforce Development; and provided technical assistance to the Small Employer Insurance Task Force.
- Served on the following NAIC committees, task forces and working groups: the System for Electronic Rate and Form Filing (SERFF) working group, Improvement to State-Based Systems subgroup, Speed to Market Working Group, Market Conduct Examination Oversight Task Force, the Producer Licensing Model Act working group, the Uniform Producer Licensing Working Group, the Senior Counseling Activities working group, the Life and Annuity Handbook Working Group, the Property and Casualty Examination Handbook Working Group and the SERFF Board of Directors.

Policy Form Submission

The following tables and graphs summarize the policy form submission data for 1999 and 2000. Table I shows the number of policy forms received in 1999 and 2000 by line of business for each type of insurance. Table II shows the number of policy forms received in 2000 by type of filing for each type of insurance. Table III shows the number of policy forms approved in 1999 and 2000 by line of business for each type of insurance.

TABLE I
Number of Policy Forms Received
By Line of Business in 1999 and 2000

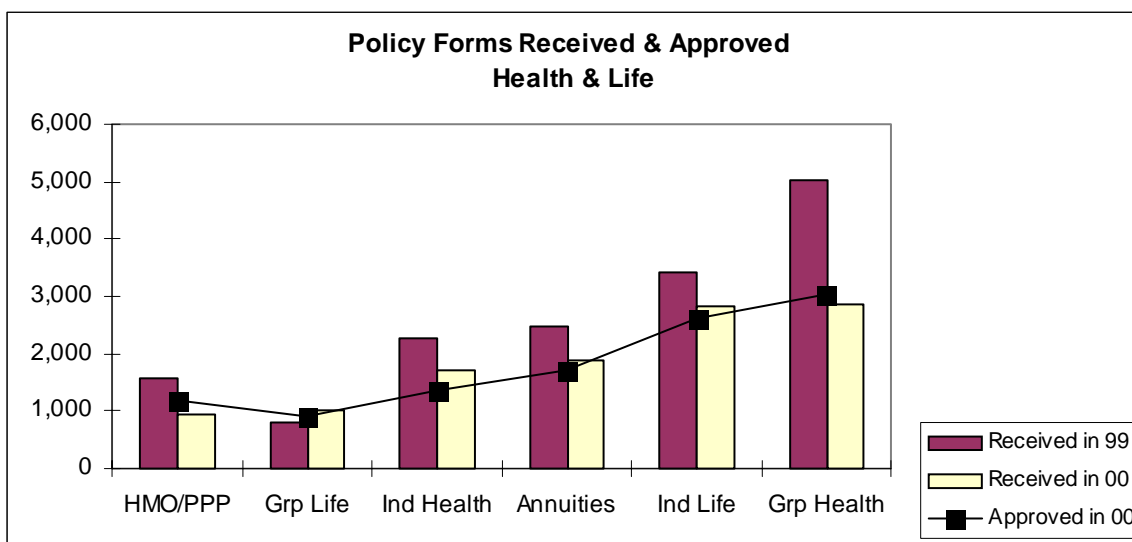
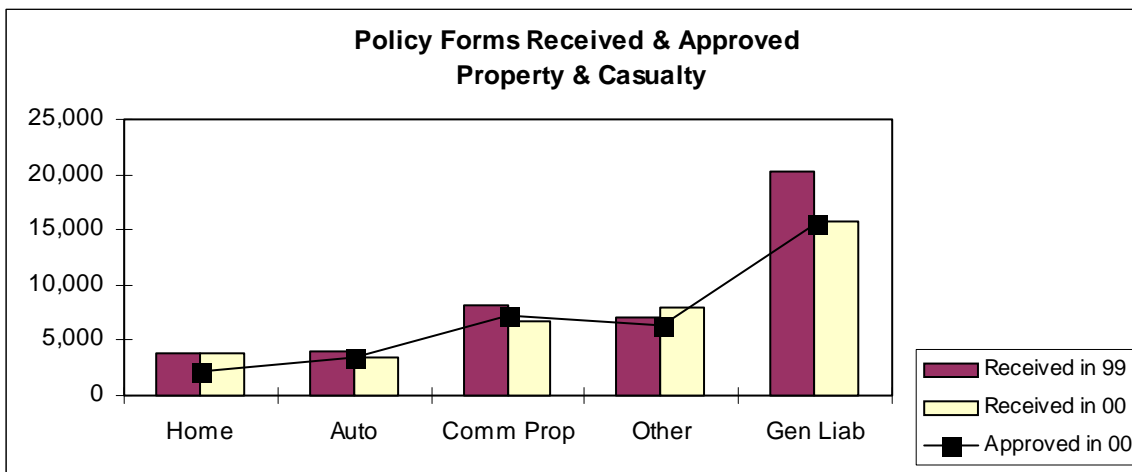
	1999	2000
Property and Casualty		
Personal Motor Vehicle	1,398	1,051
Commercial Motor Vehicle	2,539	2,407
Commercial Property	8,141	6,768
Homeowner's and Farmowner's	3,837	2,523
Liability	20,252	15,847
Worker's Compensation	7	7
Bonds	549	475
Miscellaneous Personal Property and Casualty	2,086	1,502
Miscellaneous Commercial Property and Casualty	<u>5,045</u>	<u>6,527</u>
Total Property and Casualty	<u>43,854</u>	<u>37,107</u>
Life and Health		
Individual Life	3,411	2,838
Group Life	817	1,004
Annuity	1,687	1,329
Group Annuity	801	549
Credit Life	233	217
Individual Accident and Health	2,256	1,694
Group Accident and Health	5,013	2,858
Credit Accident and Health	180	168
HMO	1,283	704
PPP	301	226
LSHO	33	58
Miscellaneous Health and Life	<u>155</u>	<u>257</u>
Total Life and Health	<u>16,170</u>	<u>11,902</u>
Grand Total	<u>60,024</u>	<u>49,009</u>

TABLE II
Number of Policy Forms Received
By Type of Filing For 2000

Type of Filing	Type of Business		Total
	Property & Casualty	Life & Health	
Application	1,911	2,211	4,122
Binder	27	7	34
Certificate	131	558	689
Declaration/Schedule/Data Page	3,611	361	3,972
Informational Filing	20	475	495
Jacket	561	9	570
Matrix	0	960	960
Notice	313	139	452
Outline of Coverage	195	368	563
Policy	2,218	1,870	4,088
Rider/Endorsement/Amendment	28,053	3,967	32,020
Single Page	<u>67</u>	<u>977</u>	<u>1,044</u>
Totals	<u>37,107</u>	<u>11,902</u>	<u>49,009</u>

TABLE III
Policy Forms Approved By Line of Business
For 1999 and 2000

	1999	2000
Property and Casualty		
Personal Motor Vehicle	1,370	942
Commercial Motor Vehicle	2,639	2,437
Commercial Property	8,041	7,201
Homeowner's and Farmowner's	3,381	2,182
Liability	21,280	15,643
Worker's Compensation	4	2
Bonds	475	518
Miscellaneous Personal Property and Casualty	1,835	1,049
Miscellaneous Commercial Property and Casualty	<u>4,475</u>	<u>5,350</u>
Total Property and Casualty	<u>43,500</u>	<u>35,324</u>
Life and Health		
Individual Life	2,761	2,620
Group Life	739	908
Annuity	1,478	1,184
Group Annuity	767	521
Credit Life	230	214
Individual Accident and Health	1,200	1,357
Group Accident and Health	3,727	3,025
Credit Accident and Health	200	162
HMO	1,189	812
PPP	147	364
LSHO	26	61
Miscellaneous Health and Life	<u>111</u>	<u>76</u>
Total Life and Health	<u>12,575</u>	<u>11,304</u>
Grand Total	<u>56,075</u>	<u>46,628</u>



Complaints

The following tables and graphs summarize the bureau's complaint data. Table I shows a comparison of complaint activity over the last six years. A complaint is defined as a written expression of dissatisfaction with an insurance company or agent. Complaints may initially be received either in person, by telephone, by e-mail, or in writing. To be considered a formal complaint that initiates an inquiry or investigation, a complaint should be in writing. The data presented is based upon formal complaints.

In addition to the formal complaints, the bureau also handled over 42,000 general inquiries or requests for information in 2000. Most such inquiries were by telephone,

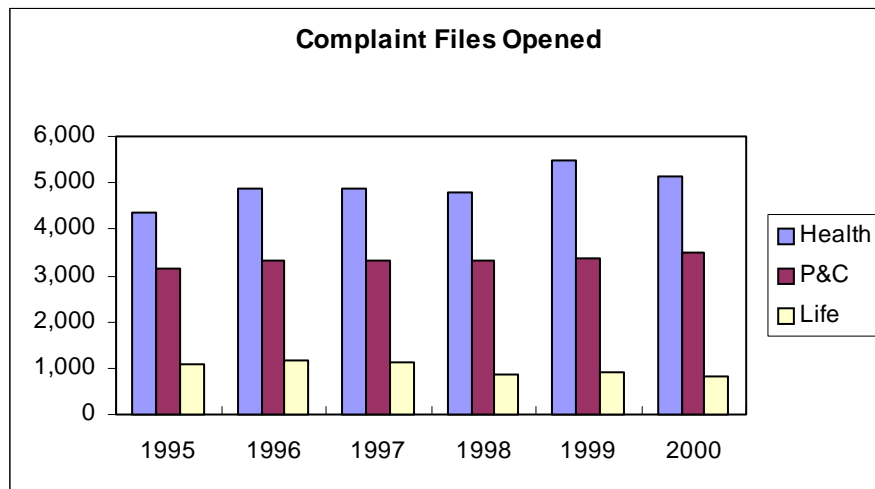
with the remainder being written communications, including e-mail, and "walk-ins."

Table II shows 1999 and 2000 complaints by type of insurance. When reviewing this information, it is important to note that a complaint may involve more than one type of insurance. Table III shows the area of insurance operations that generated the complaint. As with Table II, a complaint may involve more than one area of insurance operations.

Table III shows the basis for complaints. Over half the complaints involve claim problems. Policyholder service is the second most common reason for filing a complaint.

TABLE I
Total Complaint Files

Year	Opened	Closed
1995	8,381	8,676
1996	9,135	8,407
1997	9,169	9,294
1998	8,834	9,551
1999	9,559	9,506
2000	9,295	9,005



	1995	1996	1997	1998	1999	2000
Health	4,339	4,889	4,876	4,810	5,495	5,118
P&C	3,166	3,313	3,339	3,327	3,350	3,482
Life	1,074	1,150	1,122	867	896	838

TABLE II
Complaints Filed By Type of Insurance*

	1999	2000
Accident and Health		
Group Accident and Health	990	208
Individual Accident and Health	405	226
Medicare Supplement	309	259
Long-Term Care	70	62
HMO	1,179	1,083
PPO	940	1,860
LSHO	14	38
Credit	173	168
Self-Funded Health Plans	<u>1,397</u>	<u>1,214</u>
Total Accident and Health	<u><u>5,477</u></u>	<u><u>5,118</u></u>
Property and Casualty		
Automobile	1,288	1,270
Homeowner's, Tenant's, Farmowner's	786	810
Fire, Allied Lines, Other Property	150	155
General Liability	82	95
Worker's Compensation	611	631
All Other Lines	<u>453</u>	<u>521</u>
Total Property and Casualty	<u><u>3,370</u></u>	<u><u>3,482</u></u>
Life, Including Credit and Annuities	<u><u>893</u></u>	<u><u>838</u></u>

*A complaint may involve more than one type of insurance.

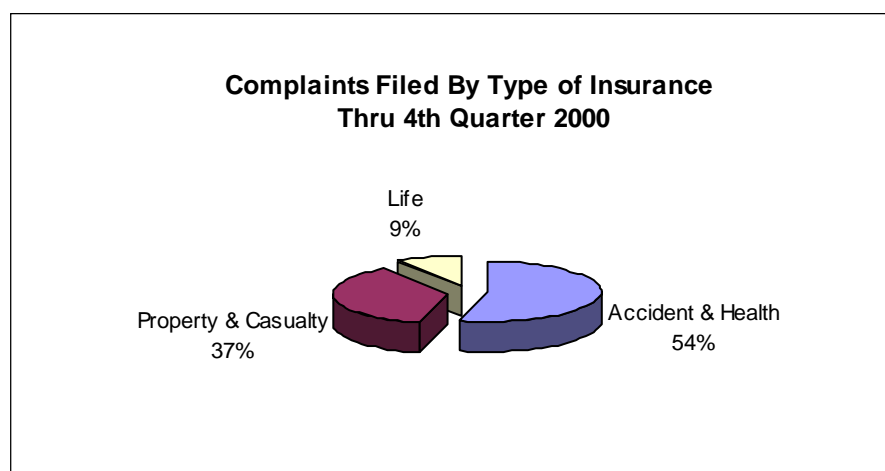
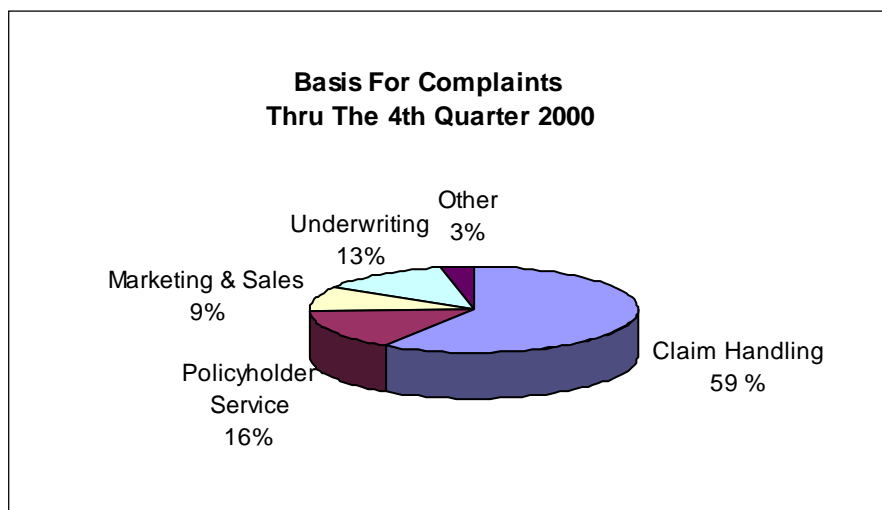


TABLE III
Basis for Complaints*

Basis for Complaint	1999	% of Total	2000	% of Total
Claim Handling	6,385	60%	6,036	59%
Policyholder Service	1,497	14	1,604	16
Marketing and Sales	1,108	10	945	9
Underwriting	1,321	12	1,307	13
Other	<u>438</u>	<u>4</u>	<u>336</u>	<u>3</u>
	<u>10,749</u>	<u>100%</u>	<u>10,228</u>	<u>100%</u>

*A complaint may have more than one basis.



The bureau keeps track of the amount of money recovered by complainants who filed a complaint with our office. From January 1 through the 4th quarter of 2000, the office assisted complainants in recovering \$3,695,357 from insurers as follows:

TABLE IV
Amounts Recovered for Complainants by Types of Coverage and Complaint Reason

Coverage Type	Claim Handling	Policyholder Service	Marketing and Sales	Underwriting	Other	Total
Group Accident and Health	\$ 46,480	\$ 875	\$ 202	\$ 4,013	\$ 0	\$ 51,570
Ind. Accident and Health	23,208	4,563	9,602	750	0	38,123
Medicare Supplement	33,585	9,309	7,422	1,616	0	51,932
Long-Term Care	11,864	1,156	323	1,633	0	14,976
HMO/PPO/LSHO	835,163	36,386	3,895	57,595	4,859	937,898
Credit	66,577	4,985	26,498	96	0	98,156
Self-Funded Health Plans	305,846	1,182	0	0	189	307,217
Automobile	222,556	94,925	45,134	14,915	229	377,759
Life, Including						
Credit & Annuities	638,618	435,759	89,753	8,260	7,483	1,179,873
Homeowner's, Tenant's,						
Farmowner's	386,799	1,923	6,015	2,341	0	397,078
Fire, Allied Lines,						
Other Property	95,348	1,942	2,043	6,781	444	106,558
General Liability	32,074	0	0	388	0	32,462
Worker's Compensation	8,972	653	9,730	10,016	0	29,371
All Other Lines	<u>52,251</u>	<u>11,333</u>	<u>8,800</u>	<u>0</u>	<u>0</u>	<u>72,384</u>
Total	<u>\$2,759,341</u>	<u>\$604,991</u>	<u>\$209,417</u>	<u>\$108,404</u>	<u>\$13,204</u>	<u>\$3,695,357</u>

Complainants may appeal the results of the bureau's determination on their complaints when the complaints were not resolved as originally requested. The appeal gives the complainants an opportunity to have their complaints reviewed by the office's management staff or to provide additional information on their complaint to office management. Table V reflects the complaint appeal activity.

TABLE V
2000 Complaint Appeals Filed by Section

	Property & Casualty	Life & Health	Complaints	Total
Number of Complaint Files				
Appealed in 2000*	78	76	15	169
Appealed Complaint Files Reopened	35	24	9	68
Result of Reopened Complaint Files:				
Pending	11	5	2	18
Position Changed	6	7	1	14
Position Unchanged	18	12	6	36

*An appeal may be on a file closed prior to the period under review.

TABLE VI**Complainant Survey
2000**

Survey Cards Sent	1,664
Survey Cards Returned	977
Response Rate	59%

Results

1. How did you hear about the Office of the Commissioner of Insurance?				
Word of Mouth	300			
Insurance Agent	154			
Insurance Company	103			
Phone Book	32			
Lawyer	53			
Health Care Provider	102			
Other	283			
No Answer	151			
2. Did we respond to your complaint promptly?	Yes	%	No	%
	887	93%	69	7%
3. Do you feel your complaint was handled fairly by our office?	738	80%	183	20%
4. Do you feel you were given an adequate explanation on your complaint?	708	78%	198	22%
5. If you called our office, do you feel we treated you courteously?	604	98%	15	2%
6. If you have another insurance problem, would you contact our office again?	805	92%	75	8%

Companies Examined in 2000

American Bankers Ins. Co. of FL
American Bankers Life Ins. Co. of FL
GEICO General Ins. Co.
Germantown Mutual Ins. Co.
Golden Rule Ins. Co.
Greater La Crosse Health Plans, Inc.
Security Health Plan of WI
Unity Health Plans Ins. Corp.
Valley Health Plan

Agent Licensing Section

The Agent Licensing Section conducts licensing examinations for insurance agents, licenses agents, reinsurance intermediaries, managing general agents, certain corporations and firms, employee benefit plan administrators, viatical settlement brokers, and approves prelicensing and continuing education providers and courses.

During 2000, there were 8,461 tests administered in all lines of insurance to candidates seeking a resident agent license. In all, a total of 15,340 new licenses were issued to resident and nonresident agent candidates.

As of December 31, 2000, there were 69,438 licensed insurance agents and 571,562 active appointments by insurance companies authorizing the licensed agents to market their products.

Projects within the section for 2000 included:

- The third continuing education biennial reporting period for agents began January 1, 1999. Assessment Systems, Inc. (ASI), continues to administer the entire program, which includes

provider, instructor, and course approval, as well as course tracking. To satisfy the biennial requirements, agents must earn 24 credit hours by February 15, 2001.

- Continued involvement with the NAIC in the development of a National Producer Database. The database will speed up and simplify the licensing process and provide benefits to both regulators and industry. Wisconsin participated as a pilot state for the project, and provides daily updates to the database along with 32 other states.
- Continued participation in the NAIC's Producer Information Network (PIN) Project. The goal of this committee, comprised of state regulators and industry representatives, is to improve the effectiveness and efficiency of the state licensing process through increased coordination, automation, standardization, and reciprocity.

Wisconsin is one of 40 states to sign a Declaration of Uniform Treatment through the NAIC. This Declaration provides for the use of a national application for major-line nonresident licensing.

Commercial Liability Insurance Reports

Section 601.422, Wis. Stat.

The following tables summarize the reports on commercial liability insurance required by s. 601.422, Wis. Stat., that were received in 2000. All of the information is for commercial liability insurance written in Wisconsin by authorized insurers. The data required by this statute were collected from the following three sources:

1. the insurers themselves,
2. statistical agents utilized by the insurers, and
3. the NAIC database.

Reporting thresholds were established by this office in conjunction with the statistical agents to eliminate insurers who write marginal amounts of insurance.

Tables IA and IB include information required for policy years 1997 and 1998, respectively. Lines one and two were calculated by applying the ratios of investment gain and other expenses to net premium earned for other liability as reported in the Insurance Expense Exhibit to direct premiums earned. The Insurance Expense Exhibit information is on a calendar year basis, therefore the ratios applied represent the average of the two calendar years included in the applicable policy year. The number of policies written, the number of claims closed without payment, and the number of legal actions filed were provided by the insurers. The remaining policy year information was provided by statistical agents.

It should be noted that the liability for claims incurred but not reported (IBNR) is calculated differently depending on the market. In particular, approximations for the IBNR liability for excess and umbrella insurance are based on the general liability expected loss ratio. The long-tailed nature of these two lines can create difficulty when attempting to establish an accurate liability for claims IBNR even after three or four years of development.

As noted previously, much of the data is from individual insurers and the statistical agents they utilize. These reports have been accepted by this office without audit.

Table II summarizes key ratios and averages for supplemental commercial liability data for the most recent five policy years. Several cells in this table are incomplete due to lack of activity for selected categories in certain policy years. Incomplete cells are indicated by an asterisk.

TABLE IA
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING COMMERCIAL LIABILITY INSURANCE IN WISCONSIN*

Policy Year 1997	Premises Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Profes- sional	All Other Profes- sional	Day Care	Recrea- tional	Municipal	Pollution	Liquor Liability
1. Investment gain	\$17,427	\$6,482	\$2,121	\$13,144	\$2,256	\$9,417	\$118	\$717	\$1,270	\$285	\$171
2. Expenses incurred other than loss adjusting expenses	29,088	10,819	3,540	21,938	3,766	15,719	196	1,196	2,121	476	285
3. Number of policies written	107,783	39,747	2,461	28,874	2,994	96,877	1,583	4,791	1,643	378	943
4. Direct dollar premium earned	107,375	39,937	13,069	80,984	13,902	58,024	724	4,416	7,828	1,758	1,054
5. Average premium per policy	996	1,005	5,311	2,805	4,643	599	457	922	4,764	4,650	1,118
6. Number of outstanding claims	686	221	10	51	99	151	2	16	45	3	0
7. Direct case reserves for outstanding claims	18,049	6,900	1,409	6,381	3,640	8,137	62	398	413	1	0
8. Liability for claims incurred but not reported	21,912	18,096	5,575	27,987	5,762	10,509	115	746	1,160	752	242
9. Loss adjustment expense liability for open claims	1,699	835	0	1,198	771	1,805	26	44	328	23	2
10. Losses paid	26,798	6,454	30	18,688	3,845	9,160	46	700	967	9	3
11. Pure loss ratio	62.2%	78.8%	53.7%	65.5%	95.3%	47.9%	30.8%	41.7%	32.5%	43.3%	23.2%
12. Allocated loss adjustment expense paid	5,207	1,158	42	1,442	399	4,827	7	108	507	31	0
13. Number of claims paid	9,529	1,196	13	67	131	371	49	275	559	8	6
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	73,666	33,444	7,056	54,686	14,338	33,030	255	1,996	3,374	769	247
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	78,536	35,760	7,538	58,693	15,599	35,121	273	2,132	3,593	854	265
16. Number of claims closed without payment	5,442	882	14	69	58	529	162	132	576	10	20
17. Number of legal actions filed	446	133	11	17	43	187	5	8	51	2	3

* 000's omitted in items 1, 2, 4, 7, 8, 9, 10, 12, 14, and 15.

TABLE IB
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING COMMERCIAL LIABILITY INSURANCE IN WISCONSIN*

Policy Year 1998	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional	All Other Professional	Day Care	Recreational	Municipal	Pollution	Liquor Liability
1. Investment gain	\$18,079	\$7,013	\$3,072	\$14,135	\$1,911	\$10,206	\$126	\$706	\$1,010	\$334	\$176
2. Expenses incurred other than loss adjusting expenses	30,522	11,840	5,187	23,862	3,226	17,231	213	1,192	1,705	564	297
3. Number of policies written	103,842	36,014	2,544	30,852	2,004	98,834	975	4,213	1,616	522	1,116
4. Direct dollar premium earned	103,428	40,122	17,577	80,861	10,933	58,389	721	4,040	5,776	1,910	1,008
5. Average premium per policy	996	1,114	6,909	2,621	5,455	591	740	959	3,574	3,660	903
6. Number of outstanding claims	1,642	368	33	40	144	259	14	33	102	6	3
7. Direct case reserves for outstanding claims	22,394	7,590	680	4,923	2,768	7,027	261	1,718	451	100	42
8. Liability for claims incurred but not reported	41,252	28,729	7,820	38,832	5,152	22,944	268	1,520	2,374	1,272	345
9. Loss adjustment expense liability for open claims	2,240	765	522	111	1,097	2,030	18	88	465	11	2
10. Losses paid	17,972	985	97	6,453	1,470	3,353	45	380	873	1	9
11. Pure loss ratio	78.9%	93.0%	48.9%	62.1%	85.9%	57.1%	79.6%	89.6%	64.0%	71.9%	39.3%
12. Allocated loss adjustment expense paid	1,851	675	8	48	124	1,791	14	33	194	4	0
13. Number of claims paid	8,977	1,107	11	29	33	344	43	267	589	1	11
14. Ultimate incurred losses including allocated loss adjustment expense and incurred but not reported losses	85,690	41,388	9,121	50,340	10,576	36,784	606	3,738	4,362	1,374	398
15. Ultimate incurred losses including all loss adjustment expense and incurred but not reported losses	91,271	44,376	9,756	53,750	11,618	39,206	649	3,997	4,638	1,462	427
16. Number of claims closed without payment	5,182	874	26	31	38	982	1	96	681	12	12
17. Number of legal actions filed	326	48	8	5	29	167	8	6	38	3	1

* 000's omitted in items 1, 2, 4, 7, 8, 9, 10, 12, 14, and 15.

TABLE II
COMMERCIAL LIABILITY INSURANCE REPORT, S. 601.422, WIS. STAT.
SUMMARY OF SUPPLEMENTAL DATA

	Premises & Operations	Products & Completed Operations	Excess	Umbrella	Lawyers Professional Liability	All Other Professional Liability	Day Care	Recreational	Municipal	Pollution	Liquor Liability
Loss Ratios											
1998	78.9%	93.0%	48.9%	62.1%	85.9%	57.1%	79.6%	89.6%	64.0%	71.9%	39.3%
1997	62.2	78.8	53.7	65.5	95.3	47.9	30.8	41.7	32.5	43.3	23.2
1996	47.6	57.4	49.8	51.0	70.8	43.1	19.8	34.8	25.9	39.2	55.3
1995	50.9	63.5	47.1	50.5	47.3	28.9	24.7	32.3	30.5	24.8	13.6
1994	49.6	44.8	57.2	52.0	65.7	21.1	21.3	46.9	24.7	18.5	21.1
Five-year average	57.2	66.3	51.1	56.0	71.1	40.3	29.9	47.7	34.2	36.7	31.5
Average Incurred Loss Per Claim											
1998	3,801	5,814	17,654	164,875	23,939	17,212	5,368	6,993	1,916	14,435	3,643
1997	4,390	9,425	62,569	212,449	32,545	33,136	2,118	3,771	2,285	917	500
1996	4,549	9,808	46,879	93,331	21,958	25,909	2,906	3,299	2,197	23,547	35,000
1995	4,630	13,193	43,915	226,022	20,664	23,780	2,286	3,642	3,687	2,045	2,714
1994	3,867	10,160	39,278	195,493	32,600	17,284	1,742	5,747	2,569	7,132	6,737
5-year average	4,229	9,653	39,521	183,043	25,998	23,457	2,538	4,598	2,481	7,911	9,846
Average Case Reserve Per Claim											
1998	13,638	20,626	20,599	123,085	19,220	27,130	18,643	52,045	4,422	16,674	14,000
1997	26,310	31,223	140,905	125,117	36,767	53,886	31,000	24,858	9,178	361	*
1996	36,317	53,361	62,756	62,752	44,522	65,744	9,000	43,429	15,846	66,674	*
1995	39,778	66,529	114,001	35,911	62,758	38,899	*	22,000	5,917	25,000	28,000
1994	74,065	74,245	12,500	22,775	48,355	33,249	*	28,585	4,833	25,000	32,500
5-year average	23,453	35,407	58,740	83,131	33,881	42,059	19,111	40,859	7,246	25,082	22,500
Allocated LAE: Premium Earned											
1998	4.0%	3.6%	3.0%	0.2%	11.2%	6.5%	4.4%	3.0%	11.4%	0.8%	0.2%
1997	6.4	5.0	0.3	3.3	8.4	11.4	4.6	3.4	10.7	3.0	0.2
1996	8.6	8.2	2.1	0.4	17.3	13.3	0.7	3.6	11.5	9.3	10.1
1995	10.3	11.2	0.7	0.7	16.0	15.8	3.5	18.6	7.1	0.4	1.4
1994	11.2	11.6	0.3	0.9	15.5	9.7	4.6	10.2	9.8	2.7	6.0
5-year average	8.3	8.2	1.4	1.1	14.0	11.3	3.4	8.3	10.1	3.1	3.5
IBNR: Premium Earned											
1998	78.9%	93.0%	48.9%	62.1%	85.9%	57.1%	79.6%	89.6%	64.0%	71.9%	39.3%
1997	62.2	78.8	53.7	65.5	95.3	47.9	30.8	41.7	32.5	43.3	23.2
1996	2.8	28.0	35.7	39.8	19.6	12.9	7.2	8.1	8.8	25.8	14.8
1995	6.9	23.7	35.8	18.6	13.5	5.3	3.9	4.2	3.2	23.0	9.3
1994	4.2	15.8	46.1	23.6	8.8	4.0	3.7	3.8	3.5	15.0	4.4
5-year average	14.1	35.5	41.1	32.6	24.1	16.5	10.0	13.3	13.2	32.0	18.0
Percentage Change In Premium Earned											
1997 to 1998	-3.7%	0.5%	34.5%	-0.2%	-21.4%	0.6%	-0.4%	-8.5%	-26.2%	8.7%	-4.3%
1996 to 1997	-6.1	-9.0	1.1	-4.5	-11.8	2.1	-50.8	-2.1	3.2	-9.0	1.5
1995 to 1996	-3.7	-8.0	-4.4	-5.1	-7.7	7.9	-8.7	-14.5	8.7	-23.5	17.4
1994 to 1995	-3.4	-1.9	6.0	6.2	7.2	4.2	2.5	18.1	-5.1	-15.2	15.1

*Information incomplete. See narrative.

Medical Malpractice Insurance Reports

Section 601.427, Wis. Stat.

The following table summarizes the reports on medical malpractice insurance required by s. 601.427, Wis. Stat., that were received in 2000. All of the information is for medical malpractice insurance written in Wisconsin by authorized insurers. Insurers that wrote less than \$300,000 annually in medical malpractice insurance premiums in Wisconsin were not required to report.

The first three lines are for the calendar years indicated by the column headings. The Average Written Premium per Policy is calculated from the entries in the previous two lines. The next fifteen lines are for the policy years shown by the column headings.

This report includes the experience of the Wisconsin Health Care Liability Insurance Plan. It does not include the experience of the Patients Compensation Fund.

It should be noted that the data are from individual insurer reports and have been accepted by this office without audit. In addition, the data do not separate occurrence policy experience from claims-made policy experience. These two types of policies have different claims payment experience patterns.

This report combines the experience for all physician and surgeon classifications, other health care professionals, hospital, and other health care facilities. The individual classification reports by company, from which the summary table was derived, have been maintained in this office.

**MEDICAL MALPRACTICE INSURANCE REPORT, S. 601.427, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING MEDICAL MALPRACTICE INSURANCE IN WISCONSIN***

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999**
1. Investment and other income net gain or loss***	\$21,444	\$23,843	\$25,502	\$28,027	\$25,672	\$22,291	\$26,398	\$23,707	\$22,063	\$19,691	\$21,336
2. Incurred loss adjustment expense***	25,540	23,547	23,359	25,179	23,444	22,777	14,448	15,106	7,566	7,305	10,689
3. All other incurred expenses***	9,076	10,210	12,149	12,476	13,675	13,585	15,340	14,802	15,471	15,889	14,778
4. Number of policies written	30,082	29,739	31,035	30,668	32,665	29,127	16,280	30,526	42,440	44,031	
5. Total dollar amount of direct written premium	70,543	72,223	73,438	74,431	77,555	70,310	69,241	67,104	72,591	69,743	
6. Average written premium per policy	2,345	2,429	2,366	2,427	2,374	2,414	4,253	2,198	1,710	1,584	
7. Number of open claims	10	9	11	10	32	69	104	208	236	486	
8. Direct case reserves on open claims	292	896	850	734	1,445	2,481	7,168	10,641	15,355	14,092	
9. Amount paid on medical malpractice claims	20,461	18,841	18,216	20,335	22,913	19,611	15,832	9,957	8,389	772	
10. Reserves established for incurred but not reported claims	4,589	5,594	9,498	8,067	6,132	6,764	6,897	9,113	13,172	26,701	
11. Pure loss ratio	35.9%	35.1%	38.9%	39.1%	39.3%	41.0%	43.2%	44.3%	50.9%	59.6%	
12. Total number of claims reported	1,337	1,607	1,640	1,626	1,458	1,269	21,341	1,141	757	851	
13. Total number of claims closed without payment	1,011	1,171	1,299	1,472	1,292	1,018	1,034	767	691	470	
14. Total number of claims closed with payment	311	399	337	324	246	284	286	251	246	104	
15. Total number of legal actions filed	370	403	417	406	365	398	392	331	180	182	
16. Total number of verdicts/judgments for defendant	132	160	140	127	98	71	59	38	20	10	
17. Total number of verdicts/judgments for plaintiff	39	35	36	33	19	23	12	8	5	0	
18. Total amount awarded to plaintiffs	3,845	3,065	3,443	4,343	3,759	5,544	2,893	1,601	1,902	47	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.

** Policy year 1999 was not complete at time of writing.

*** These elements are reported on a calendar year basis; all other rows are on a policy year basis.

Product Liability Insurance Reports
Section 601.425, Wis. Stat.

The following table summarizes the reports on product liability insurance required by s. 601.425, Wis. Stat., that were received in 2000. All of the information is for product liability insurance written in Wisconsin by authorized insurers. Insurers that wrote less than \$50,000 annually in product liability insurance premiums in Wisconsin were not required to report.

The first three lines are for the calendar years indicated by the column headings. The Average Written Premium per Policy is calculated from the entries in the previous two lines. The next fifteen lines are for the policy years shown by the column headings.

It should be noted that the data are from reports provided by individual insurers. These reports have been accepted by this office without audit. In addition, the data do not separate occurrence policy experience from claims-made policy experience. These two types of policies have different claims payment experience patterns.

**PRODUCT LIABILITY INSURANCE REPORT, S. 601.425, WIS. STAT.
ENTRIES ARE FOR INSURERS REPORTING PRODUCT LIABILITY INSURANCE IN WISCONSIN***

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999**
1. Investment and other income net gain or loss***	\$7,867	\$9,336	\$10,826	\$12,561	\$12,688	\$12,185	\$12,197	\$19,766	\$20,162	\$18,531	\$15,400
2. Incurred loss adjustment expense***	23,682	15,238	19,940	21,648	21,803	16,245	16,491	15,702	6,951	9,566	5,047
3. All other incurred expenses***	13,636	17,151	18,813	27,440	15,627	16,846	14,825	19,094	8,877	12,596	12,566
4. Number of policies written	38,614	33,144	43,015	41,826	40,924	39,948	85,770	121,455	75,135	66,677	
5. Total dollar amount of direct written premium	50,415	44,406	45,835	48,188	47,946	48,164	53,941	50,932	45,281	36,057	
6. Average written premium per policy	1,306	1,340	1,066	1,152	1,172	1,206	629	419	603	541	
7. Number of open claims	99	104	162	324	302	329	527	834	620	337	
8. Direct case reserves on open claims	7,015	2,006	8,182	7,540	11,438	12,890	20,396	20,010	10,169	4,167	
9. Amount paid on product liability claims	20,949	18,593	23,513	17,835	26,448	14,353	20,470	10,764	10,270	2,867	
10. Reserves established for incurred but not reported claims	10,357	8,561	10,761	15,182	19,944	17,320	30,809	47,807	25,689	17,498	
11. Pure loss ratio	76.0%	65.7%	92.6%	84.2%	120.6%	92.5%	132.9%	154.3%	101.9%	68.0%	
12. Total number of claims reported	8,071	385,311	69,456	26,013	24,704	5,579	4,767	4,556	37,502	340,105	
13. Total number of claims closed without payment	1,340	1,298	1,501	1,522	1,763	1,515	1,864	1,730	1,351	1,161	
14. Total number of claims closed with payment	1,736	1,470	1,730	1,643	1,752	1,585	3,495	1,451	1,250	841	
15. Total number of legal actions filed	864	841	1,029	616	661	3,567	508	660	224	110	
16. Total number of verdicts/ judgments for defendant	20	34	26	28	41	31	16	16	11	4	
17. Total number of verdicts/ judgments for plaintiff	22	21	25	31	30	35	20	16	5	0	
18. Total amount awarded to plaintiffs	4,134	1,897	2,075	641	1,105	1,439	589	240	3	0	

* 000's omitted in items 1, 2, 3, 5, 8, 9, 10, and 18.

** Policy year 1999 was not complete at time of writing.

*** These elements are reported on a calendar year basis; all other rows are on a policy year basis.

Consumer Publications

The following consumer publications are available from OCI. Copies of all brochures are available on-line on OCI's Web site: http://badger.state.wi.us/agencies/oci/pub_list.htm.

HEALTH

Long-Term Care

- **Guide to Long-Term Care (PI-047)**— Explains different types of long-term care insurance and the types of policies sold in Wisconsin to cover long-term care expenses.
- **Long-Term Care Insurance Approved Policies in Wisconsin (PI-046)**—Lists individual and group long-term care insurance policies, nursing home policies, and home health care policies including information regarding benefits and sample premiums.

Medicare Supplement

- **Medicare Supplement Insurance Approved Policies (PI-010)**—Lists all policies available in Wisconsin including benefits and current premiums.
- **Medicare+Choice - Questions and Answers (PI-099)**—Explains new options available to persons age 65 and over, and some disabled individuals under age 65, who are looking for information about the Medicare+Choice program.
- **Wisconsin Guide to Health Insurance for People with Medicare (PI-002)**—Explains Medicare and supplemental insurance to cover those expenses not paid by Medicare.

General

- **ANSI Claim Adjustment Reason Code (OCI 17-007)**—Claim adjustment reason codes that must be used by providers and their narrative explanation.
- **A Guide to Health Insurance and Worker's Compensation Insurance for Farm Families (PI-072)**—Provides information about health insurance and limitations for work-related injuries.
- **A Shopper's Guide to Cancer Insurance (PI-001)**—Describes cancer insurance policies and the limitations many of these policies have.
- **Consumer's Guide to Managed Care Health Plans in Wisconsin (PI-044)**—Provides information on all HMO and Limited Service Health Organization Plans in Wisconsin.

- **Fact Sheet on Continuation and Conversion in Health Insurance Policies (PI-023)**—Describes a consumer's rights to continue or convert group health insurance coverage after losing previous eligibility for health insurance coverage.
- **Fact Sheet on Mandated Benefits in Health Insurance Policies (PI-019)**—Gives a brief description of current mandated benefits.
- **Fact Sheet on Mandated Benefits for the Treatment of Nervous and Mental Disorders, Alcoholism and Other Drug Abuse (PI-008)**—Summarizes required coverages in group health insurance policies.
- **Group Health Insurance Index (PI-081)**—Survey results listing the monthly premiums for group health insurance policies for three hypothetical groups.
- **Health Insurance Coverage in Wisconsin (PI-094)**—Survey results listing the number of people covered by an HMO, Preferred Provider Organization, Point-of-Service Plan and traditional health insurance in Wisconsin.
- **HMO Quarterly Statement Summary**—Summarizes HMO information contained in the quarterly financial statement.
- **Insurance Coverage and AIDS (PI-064)**—Summarizes rules regarding health and life insurance underwriting and coverage for AIDS.
- **"The Kassebaum/Kennedy Act" A Summary for Consumers and Business Owners/The Health Insurance Portability and Accountability Act of 1996 and 1997 Wisconsin Act 27 (PI-096)**—Provides a general overview of the new federal law as well as the changes made to state health insurance laws.
- **Mammograms: Mandated Insurance Coverage (PI-056)**—Summarizes required coverage for mammograms under health insurance policies.

LIFE INSURANCE AND ANNUITIES

- **NAIC Life Insurance Buyer's Guide**—Explains types of life insurance and provides consumer information.
- **State Life Insurance Fund**—Information about the State Life Insurance Fund that offers life insurance to Wisconsin residents. This also includes a rate table and an application.
- **Wisconsin Buyer's Guide to Annuities (PI-016)**—Describes annuities and provides consumer information.

PROPERTY AND CASUALTY

- **Buying a Home and Your Insurance Needs (PI-100)**—Provides information on title, homeowner's, flood and private mortgage insurance and discusses other insurance options to consider when buying a home.
- **Consumer's Guide to Auto Insurance (PI-057)**—Explains the types of coverage provided in an auto insurance policy, how to shop for insurance, collision damage waiver coverage for rental cars, and contains premiums for five hypothetical examples.
- **Consumer's Guide to Commercial Liability Insurance (PI-045)**—Contains basic information on commercial liability insurance, risk management, legal protections, required coverages, and optional coverages.
- **Consumer's Guide to Day Care Liability Insurance (PI-054)**—Answers questions about liability insurance coverage for day care facilities.
- **Consumer's Guide to Homeowner's Insurance (PI-015)**—Explains the basic coverages included in homeowner's and renter's insurance policies, the types of policies, what you should do if you have a loss, the Wisconsin Insurance Plan, and contains premium tables for four hypothetical examples.
- **Consumer's Guide to Insurance for Small Business Owners (PI-085)**—Provides information about business, worker's compensation, health, and auto insurance.
- **Consumer's Guide to Worker's Compensation Insurance for Employers (PI-065)**—Provides information on worker's compensation insurance requirements and answers frequently asked questions.
- **Fact Sheet on Foster Parent Liability Insurance (PI-048)**—Answers questions about liability insurance coverage for foster children.
- **Guía del Consumidor para Seguros de Vivienda (PI-115)**—Explica las coberturas básicas incluidas en las pólizas de seguros de propietarios de viviendas e inquilinos, los tipos de pólizas, qué debe hacer en caso de pérdida, el plan de seguros de Wisconsin y contiene tablas de tarifas para cuatro ejemplos hipotéticos.
- **Information Sheet on Surplus Lines Insurers and Agents (PI-026)**—Answers questions about surplus lines insurance and procedures for placing surplus lines insurance.
- **Settling Property Insurance Claims (PI-084)**—Provides information on what to do after a loss, how to settle an insurance claim, flood insurance, and tips on what to do before a loss.
- **Teenagers and Auto Insurance (PI-200)**—Provides information on buying car insurance, saving money, and how underage drinking affects your insurance premium.
- **Warranties (PI-069)**—Discusses the Magnuson-Moss Warranty Act, the federal law that covers warranties, and answers questions about extended warranties.

OTHER

- **Consumer's Guide to Insurance (PI-051)**—Provides general information about health, life, auto, homeowner's, and worker's compensation insurance.
- **Fact Sheet on Insurance Terminations, Denials, and Cancellations (PI-024)**—Summarizes the laws dealing with notice requirements when insurance coverage is terminated.
- **Fact Sheet on Standard Health Insurance Forms (PI-083)**—Describes the requirements for billing formats to be used by providers and explanation of benefits and remittance advice forms used by insurers to explain claim payments.
- **Insurance Complaints and Administrative Actions (PI-030)**—An annual report listing companies with an above-average number of complaints in individual and group health, life and annuities, automobile, and homeowner's and tenant's insurance.
- **Learning about the Office of the Commissioner of Insurance on the World Wide Web (PI-095)**—Provides information about OCI's home site on the Internet.
- **Other Sources of Help (OCI 51-051)**—Provides information on Small Claims Court.
- **The Wisconsin Office of the Commissioner of Insurance (PI-059)**—Summarizes OCI's main functions, discusses employment opportunities, the civil service system, and pay and employee benefits.
